

**COUNTY OF LOS ANGELES**

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**DEPARTMENT OF MENTAL HEALTH**

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Reply To: (213) 738-4601  
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November 2, 2006

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL OF A NEW DEPARTMENT OF MENTAL HEALTH  
LEGAL ENTITY AGREEMENT WITH  
TESSIE CLEVELAND COMMUNITY SERVICES CORPORATION  
FOR FISCAL YEARS 2006-07, 2007-08, 2008-09 AND 2009-10  
(SUPERVISORIAL DISTRICT 2)  
(3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and authorize the Director of Mental Health or his designee to prepare, sign, and execute a new Department of Mental Health (DMH) Legal Entity (LE) Agreement (substantially similar to Attachment I) with Tessie Cleveland Community Services Corporation (Tessie Cleveland CSC) to provide the program currently known as Special Service for Groups (SSG) South Los Angeles Family Center, effective December 1, 2006. The new LE Agreement will include the portion of the Augustus F. Hawkins/Tessie Cleveland CSC/SSG Children's Collaborative (A/T/S Children's Collaborative), currently provided by Tessie Cleveland CSC through its subcontract with SSG. For Fiscal Year (FY) 2006-07, the annualized Maximum Contract Amount (MCA) of \$5,567,200 for the new Agreement has been prorated to a seven (7) month amount of \$3,247,600, and is fully funded by \$1,603,209 in Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Federal Financial Participation (FFP) Medi-Cal, \$1,310,462 in EPSDT-State General Funds (SGF), \$13,300 in Non EPSDT-FFP, and \$320,629 in Sales Tax Realignment funds which is included in DMH's FY 2006-07 Adopted Budget. The term of this new LE Agreement will be effective December 1, 2006, for FY 2006-07, with three (3) automatic one-year renewal periods.

*"To Enrich Lives Through Effective And Caring Service"*

2. Pending a subsequent Board action to sell the County-owned facility located at 8019 Compton Avenue, Los Angeles, CA 90001, authorize the inclusion of conditions for the use of space in the Tessie Cleveland CSC LE Agreement to enable Tessie Cleveland CSC to maintain the program at that site, free-of-charge, for program continuity and in consideration of the vital and unique mental health services provided by this program to children and their families in a significantly underserved area of the County. This provision only becomes inoperative when the County sells the property.
3. Authorize a three (3) month cash flow advance for Tessie Cleveland CSC, effective December 1, 2006, not to exceed one-seventh of the program's FY 2006-07 funding, or \$463,900 per month.
4. Delegate authority to the Director of Mental Health or his designee to prepare, sign, and execute future amendments to this LE Agreement, provided that:  
1) the County's total payments to contractor under this Agreement for the applicable fiscal year shall not exceed a change of 20 percent from the applicable revised MCA; 2) any such increase shall be used to reflect program and/or policy changes; 3) the Board of Supervisors has appropriated sufficient funds for all changes; 4) approval of County Counsel and the Chief Administrative Officer (CAO) or their designee is obtained prior to any such amendment; 5) County and contractor may, by written amendment, reduce programs or services without reference to the 20 percent limitation and revise the applicable MCA; and 6) the Director of Mental Health shall notify the Board of Supervisors of Agreement changes in writing within 30 days after execution of each amendment.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

The purpose of the recommended actions is to establish a new LE Agreement with Tessie Cleveland CSC. DMH has contracted with SSG for the South Los Angeles Family Services Program (SLAFSP), with Tessie Cleveland CSC as its subcontractor, since December 1, 2005, as approved by your Board on November 29, 2005. In addition, the Department, since May 2006, has contracted with SSG to provide the A/T/S Children's Collaborative. Both programs are located at 8019 Compton Avenue,

Los Angeles, CA 90001, in Supervisorial District 2 and Service Area 6 (SA 6). An Agreement with Tessie Cleveland CSC will enable the agency to directly provide these programs. This is in accordance with the plan approved by your Board on November 29, 2005, for SSG to "incubate" Tessie Cleveland CSC in order to promote the development of "grass-roots" local community providers and, specifically, to prepare the agency to become a new Mental Health provider when clinically, administratively and fiscally able to do so. It is now the consensus of DMH and the involved parties that the subcontracting/incubation process has gone well and that Tessie Cleveland CSC is clinically, administratively and fiscally prepared to manage the SLAFSP and its portion of the A/T/S Children's Collaborative. In addition, Tessie Cleveland CSC's successful subcontract/incubation period will serve as qualifying experience under any Departmental Request For Statement of Qualifications, including those pertaining to the Mental Health Services Act.

The requested cash flow advance will enable Tessie Cleveland CSC to meet operating expenses during this period of transition and pending receipt of State and EPSDT-FFP revenue.

#### **Implementation of Strategic Plan Goals**

The recommended actions are consistent with the principles of the Countywide Strategic Plan Organizational Goal No. 1, "Service Excellence," and Programmatic Goal No. 5, "Children and Families' Well-Being." The recommended actions will promote the continuation of the quality and unique character of the services currently provided by SSG through its subcontract with Tessie Cleveland CSC that focus on "whatever is needed" to build resiliency and help children succeed at home, in school and in the community.

#### **FISCAL IMPACT/FINANCING**

There is no impact on net County cost.

For FY 2006-07, the MCA in the amount of \$3,247,600 is fully funded by \$1,603,209 in EPSDT-FFP, \$1,310,462 in EPSDT-SGF, 13,300 in Non EPSDT-FFP, and \$320,629 in Sales Tax Realignment funds. This funding will be redirected from the SSG LE Agreement and is included in DMH's FY 2006-07 Adopted Budget.

For FYs 2007 through 2010, the annualized MCA will be \$5,567,200, fully funded by \$2,748,300 in EPSDT-FFP, \$2,246,460 in EPSDT-SGF, \$22,800 in Non EPSDT-FFP, \$549,640 in Sales Tax Realignment. Funding for the three (3) automatic one-year renewal periods will be requested during DMH's annual budget process, but may be subject to change because of anticipated budgetary factors which may impact the funding that is given to the County by the State and/or Federal government on an annual basis.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The Department has contracted with SSG for the SLAFSP, with Tessie Cleveland CSC as its subcontractor since December 1, 2005, as approved by your Board on November 29, 2005. As previously indicated, the intent of the subcontract was for Tessie Cleveland CSC to provide the SLAFSP services while preparing to become a new Mental Health provider. Under Tessie Cleveland CSC, the SLAFSP Services will continue to serve children, adolescents, and families in SA 6, with a non-traditional, community-based services model. The program accepts referrals from other mental health services providers, the Department of Public Social Services (DPSS) and Department of Children and Family Services (DCFS), school districts, and other family service agencies. Treatment components consist of basic outpatient services, as well as short-term intensive day treatment, therapeutic behavioral services, and school-based services.

The A/T/S Children's Collaborative was developed in response to the intensive service needs of children and adolescents in SA 6, particularly those who require an intensive level of care in order to return successfully from acute inpatient hospitalizations or out-of-home placements to the community, and those who are uninsured at the time of referral. Partners in the A/T/S Collaborative are the directly operated Augustus F. Hawkins (AFH) Child and Adolescent Program, SSG and Tessie Cleveland CSC. With the establishment of Tessie Cleveland CSC as a mental health contractor, AFH will continue to provide basic mental health services and medication support during regular clinic hours. Tessie Cleveland CSC will respond to referrals and provide an intensive treatment team, available 24/7, for a full range of services tailored to the needs of each child. Programming will be provided in clients' homes when indicated, be available on weekends when other services are typically unavailable, and include such specialized interventions as

therapeutic behavioral services, short-term intensive day treatment, and multi-disciplinary assessment teams. SSG will continue to participate in assessing and developing service plans for referred children and providing school based and other mental health services.

SSG has agreed to a voluntary reduction of its MCA in the annual amount of \$5,567,200, prorated at \$3,247,600 for FY 2006-07. This reduction will be accomplished by an amendment under delegated authority and will be effective November 30, 2006. Both parties have agreed that the contingency fund for repayment of potential audit exceptions that is currently maintained by SSG will become a receivable account for Tessie Cleveland CSC. Accordingly, Tessie Cleveland CSC will assume liability for any past, current, and future audit exceptions. The Department anticipates no disruption in services or in current program personnel.

The agreement format has been reviewed and approved by County Counsel. The proposed actions have been reviewed and approved by the Chief Administrative Officer, DMH's Program and Fiscal Administration. Clinical and administrative staff of DMH will administer and supervise the new Agreement, evaluate the programs to ensue that quality services are being provided to clients, and that the Agreement provisions and Department policies are being followed. The Los Angeles County Community Business Enterprise (LAC-CBE) Program information form is Attachment II.

### **CONTRACTING PROCESS**

On August 14, 2006, a Board memo was sent regarding Notification of Successful Incubation of a Proposed New Mental Health Services Provider with Tessie Cleveland CSC to comply with the CAO contracting policy requirements.

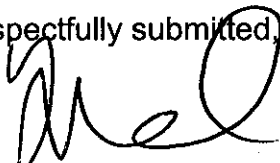
### **IMPACT ON CURRENT SERVICES**

The requested actions will establish a new Mental Health contractor that, for the past year, has provided the South Los Angeles Family Service as a subcontractor for SSG. It is anticipated that there will be a smooth transition with SLAFSP clients being able to continue to receive services at the same location and with their same clinicians. It is further anticipated that service levels and quality will be maintained, and that there will be no negative impact on current services.

**CONCLUSION**

The DMH will need one (1) copy of the adopted Board's action. It is requested that the Executive Officer of the Board notifies the DMH's Contracts Development and Administration Division at (213) 738-4684 when this document is available.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'M. Southard', written over the words 'Respectfully submitted,'.

Marvin J. Southard, D.S.W.  
Director of Mental Health

MJS:JA:RK:JKA

Attachments (2)

c: Chief Administrative Officer  
County Counsel  
Chairperson, Mental Health Commission